

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1626 – HB 2064

March 9, 2009

SUMMARY OF BILL: Prohibits any department, board, or commission of state government to require a county or municipality to establish a dedicated funding source through taxation or the imposition of fees, including but not limited to a privilege tax or property tax, in order to be eligible for incentive benefits related to the distribution of funds through grants or loans, including but not limited to, lower matching fund requirements for grant eligibility under the Three-Star Community Program administered by the Department of Economic and Community Development (ECD).

ESTIMATED FISCAL IMPACT:

State Revenue – Net Impact – Not Significant

State Expenditures – Net Impact – Not Significant

Local Revenue – Net Impact – Not Significant

Local Expenditures – Net Impact – Not Significant

Assumptions:

- Prohibiting state government from requiring counties or municipalities from establishing dedicated funding sources through taxation or the imposition of fees for the purpose of certain local governments becoming eligible for specific state grants is not anticipated to cause a significant impact to state revenue or expenditures.
- Based on information received from ECD, certain municipalities could experience a reduction of grant funding as a result of this bill. However, a decrease of grant funding to a specific municipality would not reduce total funds available for making grants to local government. In addition, any reduction of grant funding to a specific municipality is likely to be offset by an increase of grant funding to other municipalities. Thus, any net change to local government revenue or expenditures is considered to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc